

EXHIBIT 1

INTRODUCTION

Respondent TME-AFSCME Local 1117 Political Action Committee (the “Committee”) is a state general purpose recipient committee, sponsored by TME-AFSCME Local 1117 (the “Sponsor”). The Sponsor is the local chapter of a state-wide employee union, and is located in the City of Torrance. TME-AFSCME stands for Torrance Municipal Employees – American Federation of State, County and Municipal Employees. This case arose from a complaint alleging that a campaign mailer sent by Respondent Committee to Torrance voters prior to the March 5, 2002 municipal election did not contain proper sender identification.

The Political Reform Act (the “Act”)¹ requires a candidate or committee that sends a mass mailing to properly identify the sender on the outside of each piece of mail in the mass mailing. In this matter, Respondent paid for and sent two mass mailings prior to the March 5, 2002 municipal election that did not properly identify Respondent Committee as the sender of the mass mailing.

For the purposes of this stipulation, Respondent’s violations of the Act are stated as follows:

COUNT 1: On or about February 27, 2002, Respondent TME-AFSCME Local 1117 Political Action Committee sent a mass mailing entitled “Your Vote Has Never Been More Important,” supporting the candidacy of Dan Walker for Mayor of Torrance, and Mike Mauno, Ted Lieu, and Rod Guyton for Torrance City Council, in the March 5, 2002 primary election, which did not display the proper name, street address, and city of the committee that sent the mass mailing, in violation of section 84305, subdivision (a).

COUNT 2: On or about February 27, 2002, Respondent TME-AFSCME Local 1117 Political Action Committee sent a mass mailing entitled “Show Your American Pride – VOTE March 5th,” supporting the candidacy of Dan Walker for Mayor of Torrance, Mike Mauno, Ted Lieu, and Rod Guyton for Torrance City Council, Steve Westly for State Controller, and Tom Calderon for State Insurance Commissioner, in the March 5, 2002 primary election, which did not display the proper name, street address, and city of the committee that sent the mass mailing, in violation of section 84305, subdivision (a).

SUMMARY OF THE LAW

Mass Mailing Sender Identification

Section 84305, subdivision (a) requires candidates and committees to properly identify themselves when sending a mass mailing. Specifically, the statute provides that no candidate or committee shall send a mass mailing unless the name, street address, and city of the candidate or

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

committee are shown on the outside of each piece of mail in the mass mailing. The name of the committee is that which is disclosed on the committee's statement of organization, pursuant to section 84102.

Section 82041.5 defines a "mass mailing" as over two hundred substantially similar pieces of mail, but does not include a form letter or other mail which is sent in response to an unsolicited request, letter or other inquiry. Regulation 18435, subdivision (a) clarifies this section, and further defines a mass mailing as over two hundred substantially similar pieces of mail sent in a calendar month. Regulation 18435, subdivision (b) defines the term "sender," as used in section 84305, as the candidate or committee who pays for the largest portion of expenditures attributable to the designing, printing or posting of the mailing.

SUMMARY OF THE FACTS

Respondent Committee is a state general purpose recipient committee, sponsored by TME-AFSCME Local 1117 (the "Sponsor"). The Sponsor is the local chapter of a state-wide employee union, and is located in the City of Torrance. TME-AFSCME stands for Torrance Municipal Employees – American Federation of State, County and Municipal Employees.

Between January 1, 2002, and June 30, 2002, Respondent reported receiving contributions totaling \$45,835, and making expenditures totaling \$46,509. According to campaign statements filed during this period, nearly all of Respondent's expenditures were to support the election of four city candidates in Torrance and two statewide candidates. Respondent supported the election of Dan Walker for Mayor of Torrance, and Mike Mauno, Ted Lieu, and Rod Guyton for Torrance City Council in the March 5, 2002 general municipal election. Respondent also supported the election of Steve Westly for State Controller and Tom Calderon for State Insurance Commissioner in the state primary election, which was also held on March 5, 2002.

Prior to the March 5, 2002 election, Respondent sent three mass mailings to Torrance voters, two of which supported all six of the above candidates, and one that supported only the four city candidates.

COUNT 1

Failure to Include Proper Sender Identification on a Mass Mailing

On or about February 27, 2002, Respondent sent a mass mailing that did not contain proper sender identification. The mailing consisted of multi-colored, bi-folded 8 ½" x 11" card stock which urged a "yes" vote for Dan Walker for Torrance Mayor, and Mike Mauno, Ted Lieu and Rod Guyton for Torrance City Council. The mailer was entitled "Your Vote Has Never Been More Important," and included an absentee ballot form for the recipient to mail in. The mailer urged the recipient to vote for the Torrance candidates, and approximately 50% of the mailer was devoted to supporting the Torrance candidates' election. The only sender identification on the outside fold of the mailer, listed at the bottom of the absentee ballot form, stated: "This form provided by: City of Torrance Working Families, PO Box 444, Torrance, CA 90501 (310) 320-8765." On the backside of the absentee ballot form, which could be torn off and mailed back, the return address was listed as: "Torrance Working Families, PO

Box 444, Torrance, CA 90508-9901.” The mailer also included a bulk rate permit stamp on the front side stating: “Presort Standard US Postage PAID AMAC.”

AMAC, a campaign mailing house located in Redondo Beach, prepared, affixed labels, and mailed the above campaign mailer to 10,000 Torrance voters on or about February 27, 2002. Records obtained from AMAC indicate that Respondent paid \$6,038.97 for the mailer on February 27, 2002. The proportionate share of the cost of the mass mailing would be approximately \$755 for each of the four Torrance city candidates.

According to campaign statements filed by Respondent Committee, its name is listed as TME – AFSCME Local 1117 Political Action Committee and its address is listed at 1618 Gramercy Avenue, Torrance, CA 90501. Respondent Committee’s identification number on file with the Secretary of State’s Office is #1221951. According to the Sponsor’s letterhead, P.O. Box 444 belongs to the Sponsor.

The above mailer did not contain sender identification listing the correct name of Respondent Committee or its street address. By failing to include proper sender identification on the mass mailing entitled “Your Vote Has Never Been More Important,” sent on or about February 27, 2002, Respondent violated section 84305, subdivision (a).

COUNT 2

Failure to Include Proper Sender Identification on a Mass Mailing

On or about February 27, 2002, Respondent sent a second mass mailing that did not contain proper sender identification. The mailing consisted of a glossy print, multi-colored, bi-folded 8 ½” x 11” sheet, which urged a yes vote for the four Torrance city candidates, as well as Steve Westly and Tom Calderon. The mailer was entitled “Show Your American Pride – VOTE March 5th.” The mailer urged the recipient to vote for the Torrance candidates, and the two state candidates, and approximately 1/6 of the mailer was devoted to each of these candidates’ election. The only sender identification on the outside fold of the mailer, listed the sender as “Torrance Working Families, P.O. Box 444, Torrance, CA 90508.” The bottom edge of the backside of mailer stated: “Paid for by Torrance Working Families, Torrance Municipal Employees (TME) P.O. Box 444, Torrance, CA 90508, ID #1221951.” The letter also included a bulk rate permit stamp on the back side listing “Presort Standard US Postage PAID AMAC.”

AMAC prepared, affixed labels, and mailed the above campaign mailer to 31,000 Torrance voters between February 21, 2002 and February 27, 2002. Records obtained from AMAC indicate that Respondent paid \$12,882.35 for the mailer on February 27, 2002. The proportionate share of the cost of the mass mailing would be approximately \$2,147 for each of the four Torrance candidates and the two state candidates.

The above mailer did not contain sender identification listing the correct name of Respondent Committee or its street address. By failing to include complete sender identification on the mass mailing entitled “Show Your American Pride – VOTE March 5th” sent on or about February 27, 2002, Respondent violated section 84305, subdivision (a).

CONCLUSION

The failure to include the proper committee name and address on the mass mailing is a serious violation of the Act. The mass mailing was deceptive in that it stated that it was sent by a group known as “Torrance Working Families.” The complaint filed in this matter related that Torrance voters attempted to learn information about the committee known as “Torrance Working Families, but nothing was on file with the Torrance City Clerk.

In mitigation, the mass mailings were “positive” pieces supporting four candidates in the Torrance municipal election, and two state candidates.

This matter consists of two counts, which carries a maximum administrative penalty of Ten Thousand Dollars (\$10,000). The facts of this case justify the imposition of an administrative penalty in the middle of the penalty range. Based on facts of this case, and the mitigating and aggravating circumstances addressed herein, the agreed upon total administrative penalty of Four Thousand Five Hundred Dollars (\$4,500) is justified.